

RUSTAM A. BARBEE #5655
ATTORNEY AT LAW
1188 Bishop Street, Suite 2606
Honolulu, Hawaii 96813
Tel No.: (808) 524-4406
Fax No.: (808) 524-4306

Attorney for Defendant
JACQUELINE A. MARATI

IN THE CIRCUIT COURT OF THE FIRST CIRCUIT

STATE OF HAWAII

HOOLAE PAOA,

Plaintiff,

vs.

**JACQUELINE A. MARATI,
LINA'LA SIN CASINO, AND DOES
1-10,**

Defendants.

) **CIVIL NO. 06-1-1358-08 KSSA**
) **(Other Non-Vehicle Tort)**
)
)
)

) **AFFIDAVIT OF JACQUELINE A.**
) **MARATI IN SUPPORT OF MOTION**
) **TO DISMISS FOR LACK OF**
) **PERSONAL JURISDICTION AND**
) **IMPROPER VENUE**
)
)
)

GUAM

)
(ss:
)

CITY OF HAGATNA

1, **JACQUELINE A. MARATI**, being first duly sworn deposes and says that the following is true and correct:

1. I am one of the defendants in the above-captioned matter and I have personal knowledge of the facts contained herein. I submit this affidavit in support of my Motion to Dismiss for Lack of Personal Jurisdiction and Improper Venue.

2. I am a native Chamorro of Guam, and I was born and raised on Guam. I am not an officer or director, but I am a member of Lina'la Sin Casino ("Lina'la"). Lina'la is a Guam

EXHIBIT B

non-profit organization which has as its purpose to lobby, campaign and oppose attempts to legalize gaming on Guam. I and other Lina'la members successfully organized and campaigned in the 2004 Guam general election to defeat an initiative to legalize casino gambling in Guam.

3. I do not own any real or personal property in Hawaii. I do not have a bank account in Hawaii. I do not have a telephone listing or a residential or business address in Hawaii. I was born in Guam, I live in Guam, I work in Guam, and I vote in Guam. I attended elementary and high school in Guam.

4. I do not maintain an office in Hawaii, and am not registered to do business in Hawaii. I do not have an agent for service of process in Hawaii, and do not solicit business or advertise in Hawaii. I did not execute and have not executed any contracts or agreements with Hawaii residents or businesses. I did not engage in business with plaintiff Hoolae Paoa ("Paoa"). I have never met Paoa.

5. I took a three-day vacation in Hawaii in the late 1990's. I am a member of the board of directors of Pacific Islanders in Communications ("PIC"), a national non-profit media arts corporation whose mission is to support, advance and develop Pacific Island media content and talent that results in a deeper understanding of the Pacific Island history, culture and contemporary challenges. I traveled to Hawaii twice in 2005 to attend PIC board meetings. Each of these meetings lasted less than two days. My short vacation and the two trips in 2005 are the only visits I have made to Hawaii in the past ten years.

6. In July 2006, certain individuals began to collect signatures of registered Guam voters in order to certify an initiative for the November 2006 election ballot in Guam. The initiative, as proposed, would legalize the operation of slot machines in a facility known as the Guam Greyhound. In an advertisement published in the Guam Pacific Daily News, organizers of

the initiative offered to pay individuals circulating these petitions \$5.00 for each signature obtained. After learning of this campaign, Lina'la began to investigate the backgrounds of the initiative organizers.

7. The Guam Election Commission ("GEC") was scheduled to meet on August 7, 2006 to determine whether the proposed initiative had received sufficient numbers of signatures to qualify for the general election ballot. Prior to the GEC meeting, on July 31, 2006, Lina'la issued a press release ("the Press Release"). The purpose of the Press Release was to inform Guam voters and law enforcement departments of the background and history of the new owners of Guam Greyhound and the proponents of the initiative. The Press Release was also issued to provide information to GEC, as the GEC has jurisdiction to investigate irregularities in initiative petitions. A true and correct copy of the Press Release is attached hereto as Exhibit 1.

8. Lina'la sent the Press Release to Guam news organizations and a Guam resident: Pacific Daily News, Marianas Variety, RW (Real Women) Magazine, Frank Whitman (a freelance writer), Pacific Voice, KUAM and K57. Excerpts of the Press Release were published on August 1 and 2, 2006 in the Marianas Variety and the Pacific Daily News, as well as on radio and television stations in Guam. On August 7, 2006, the GEC certified the initiative for inclusion in the general election ballot, known as Proposal B.

9. On August 4, 2006, John K. Baldwin and Guam Greyhound, Inc. filed an action against me and Lina'la for defamation, intentional interference with prospective business advantage, and false light invasion of privacy ("the Guam Lawsuit"). A true and correct copy of the Complaint in the Guam Lawsuit that was served on me is attached hereto as Exhibit 2. The plaintiffs in the Guam Lawsuit accused me and Lina'la of being "anti-slot machine zealots". I am filing my answer to the Complaint on August 24, 2006, denying the allegations of the

complaint and asserting counterclaims against the plaintiffs for abuse of process and violation of Guam's anti-SLAPP (Strategic Lawsuits Against Public Participation) statute, 7 G.C.A. § 17101 et seq. Neither the plaintiffs in the Guam Lawsuit nor Paoa sued any of the Guam media which published the matters contained in the Press Release.

10. I did not "publish", "circulate", "reproduce", "disseminate", "email," "transmit" or send the Press Release or its contents to any Hawaii newspapers or anyone in Hawaii. I sent the Press Release only to Guam news organizations and newspapers, and a Guam free-lance writer. I did not purposefully direct the Press Release toward Hawaii or anyone in Hawaii. I also did not intend that the Press Release would be circulated to persons in or residents of Hawaii.

11. The Press Release is addressed solely to, and intended solely for, Guam voters and Guam law enforcement. Further, in the Press Release, Lina'la called upon the Guam Election Commission to produce the submitted petitions to verify petition circulators and signatures and the Guam Attorney General to issue a temporary restraining order on the petition gathering process to investigate the signatures on the petitions. The Press Release was not directed at Hawaii or anyone in Hawaii, as Hawaii does not have any interest in whether slot machines are legalized at the Guam Greyhound facility.

12. I live and work in Guam; I face a considerable burden in defending the lawsuit in Hawaii, which is a seven-hour flight from Guam and involves a significant sixteen-hour time difference. Further, most of the potential witnesses and evidence are located in Guam, as they include the Guam news organizations and Guam free-lance writer to whom I sent the Press Release, and the twenty-eight (28) members of Lina'la, all Guam residents.

13. Upon information and belief, Paoa was in Guam to assist in organizing the signature collections for the petitions to place Proposal B on the ballot.

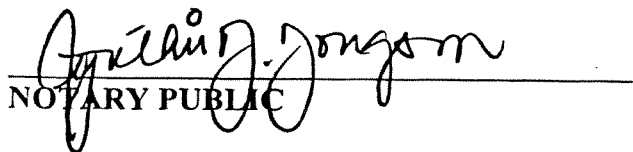
14. I do not own, use or possess real estate in Hawaii, and I have not contracted to insure any person, property, or risk located within Hawaii.

Further your affiant sayeth naught.

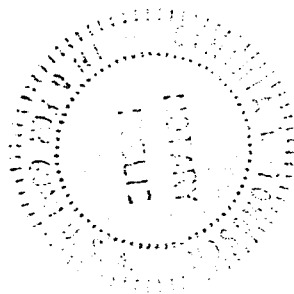
Dated this 23rd day of August, 2006.


JACQUELINE A. MARATI

Subscribed and sworn to before me by JACQUELINE A. MARATI this 23rd day of August, 2006.

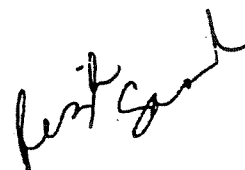

NOTARY PUBLIC

CYNTHIA T. TONGSON
NOTARY PUBLIC
In and for Guam U.S.A.
My Commission Expires: August 11, 2008
P.O. Box 2434, Hagatna, Guam 96932



mailbox:///C:/Docume...20and%20Settings/maratija/Application...

Subject: info on the people behind the present gaming initiative (criminal records)
 From: "John Baker" <guamgaming@hotmail.com>
 Date: Wed, 26 Jul 2006 20:34:34 -0500
 To: L.Webber@guam.gannet.com



Lee,
 Following is information on the people behind the present racino gaming initiative some of whom are felons and most of whom have been denied licenses in multiple states for irregular accounting practices, etc, and have been reported by the Washington Post to have failed to pay taxes, broken state gaming rules, forged petition signatures, etc.

Apparently they make their living coming in to a race track, adding slots through heavily financed funding and then a sale of the property.

PEOPLE INVOLVED

Shawn A Scott

Scott's mom (Victoria or Vicky Scott),

Hoolae Paoa (currently in Guam currently heading the signature Drive – convicted felon).

John Baldwin (The main guy with the funds)

Robert L. Newell (Brother of Michael Newell – Hard Money Funding)

Victoria Scott (Mother of Shawn Scott)

Chun Kung Cho (Korean Investor)

Bridge Capital (US Virgin Islands) John's Company

(affiliated companies)

Capital Seven LLC – Las Vegas

All Capital LLC – Las Vegas (1055 east Tropicana Avenue)

Vernon LLC

All Vernon Acquisition, LLC

North Atlantic Investments LLC – Delaware

Other tracks affiliated besides Guam Greyhound;

Vernon Downs harness racing track in Vernon, N.Y

Bangor Historic Raceway - Maine

Mid State raceway Inc.

Vacation Village Hotel casino – Las Vegas

Delta Downs in Louisiana

ARTICLES

<http://www.washingtonpost.com/wp-dyn/articles/A30891-2004Jul31.html> Bridge Capital is owned by Shawn Scott and John K. Baldwin, Las Vegas entrepreneurs who have tried for years to qualify for a license to operate a big-time gambling venture. They have had little luck, public records show. Scott, whose properties have received financial support from Baldwin, has been denied or failed to obtain gambling licenses in five states where regulators found evidence of financial mismanagement, irregular accounting practices and hidden partnerships.

http://www.harnesstracks.com/2003_DRF/DRF_December_17_2003.htm When the heavy hammer fell on Las Vegas promoter

EXHIBIT C

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Shawn Scott late last week and the New York Racing and Wagering Board denied him and his chief lieutenant and convicted felon Hoolae Paoa licenses to operate in the state. Robert Burns and John Phillips came to mind... Scott probably will sue, as he has elsewhere, and as he is currently in Maine, where the racing board is meeting this week to consider his application for a license to run a racino at a little harness track in Bangor. It remains to be seen if a state like Maine will license a guy who is persona non grata in racing in a place like New York.

<http://www.washingtonpost.com/wp-dyn/articles/A37565-2004Aug3.html> The board also discarded dozens of petition forms marred by explicit fraud and forgery, including petition circulators who falsely claimed to have witnessed each signature.

<http://www.washingtonpost.com/wp-dyn/articles/A56463-2004Jun20.html> A drive to legalize slot machines in the nation's capital is the brainchild of a wealthy young entrepreneur who has been denied or failed to obtain gambling licenses in five states where regulators found evidence of financial mismanagement, irregular accounting practices and hidden partnerships.

<http://washingtontimes.com/metro/20040714-110115-8609r.htm>

The project is being bankrolled by two Virgin Islands-based venture capital firms — Bridge Capital LLC and North Atlantic Investments LLC. The two companies have paid more than \$617,000 to try to get a slots referendum on the Nov. 2 election ballot. The Washington Times reported Monday that Bridge Capital President John K. Baldwin was a partner in a company that in the late 1990s owned gambling halls in South Carolina that failed to pay taxes and broke state gaming rules.

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Shawn Scott has shown himself to be a vindictive man who cares not for a dying industry but for his wallet.... Scott's presence in the state's racing community would become a blight. It already is a blight.

<http://news.maine.com/indepth/gambling/031217nemitz.shtml> ...we'll be hearing from Scott when he takes the witness stand some time in the coming days. And then, at last, he can explain how he's managed in only a few months to morph from the savior of Maine harness racing into the favorite for the industry's Jackass of the Year Award.

<http://www.lasvegassun.com/sunbin/stories/gaming/2003/dec/02/515952396.html> Lawyers for Las Vegas investor Shawn Scott are trying to block the public release of records obtained by the Maine Harness Racing Commission.

<http://www.indiancountry.com/content.cfm?id=1080320539...> it has turned out to be a major embarrassment for Maine. ...a state investigation turned up so many questions about the applicant, Shawn Scott that it looked as if he might not even qualify for the harness racing license. ...Scott, who sponsored the Maine racino referendum through a Las Vegas partnership called Capital Seven LLC, has been the front man in several deals involving smaller racetracks in the South and Upstate New York. ...While conducting licensing investigations of Scott, gaming regulators in several states have focused on his ties to a family of South Korean investors, a Hawaiian right-hand man with a criminal record and a close business associate originally identified only as "Mr. A."

<http://www.seacoastonline.com/2003news/12052003/news/64016.htm> A 32-page report by the Maine Harness Racing Commission director was made public after the state supreme court refused Scott's request to keep block its release.... The report says Scott's chief executive officer at Capital Seven, Hoolae Paoa, has a history of arrests and convictions in Hawaii from 1978 through 1997. The offenses range from thefts to third-degree assault and criminal contempt of court. It also says Scott has ownership in dozens of companies, which have demonstrated "sloppy, if not irresponsible, financial management and accounting..."

http://news.maine.com/indepth/gambling/031203nemitz.shtml?show_results. The answer Tuesday morning was the same it's been since all of Maine began wondering, "Who is this Shawn Scott and what is he trying to hide?". He's mired in an ugly brawl with Scarborough Downs and other elements of Maine's harness racing industry...

<http://news.maine.com/indepth/gambling/031203nemitz.shtml> ...a fax from Hawaii's Attorney General Investigations Division regarding "Hoolae Paoa's criminal record." Correspondence from New York's Racing and Wagering Board "regarding Hoolae Paoa's criminal record and tax liens. "Who is Hoolae Paoa? Until last year he was CEO of Capital One, LLC, Capital Seven's parent corporation. News reports last week revealed that he pleaded guilty to felony theft in Hawaii in 1984, and was convicted of assault in 1997.

<http://www.uticaod.com/archive/2003/11/20/news/20359.html> VERNON -- The president of Vernon Downs said he would step aside if his past criminal convictions hurt the racetrack's chances of opening a casino. Hoolae Paoa, the president and chief executive officer of Mid-State Raceway, the company that runs Vernon, was convicted of felony theft in Hawaii in 1984. He pleaded guilty to stealing from a management company, in satisfaction of a 27-count indictment obtained by the Times Union of Albany. He also pleaded guilty in 1997 to assaulting his wife, and had been convicted of abusing her in 1992 before they were married, according to the Post-Standard of Syracuse.

http://www.envirovaluation.org/index.php?blog=3&title=portland_press_herald_www_maine.com&more=1&c=1&tb=1&pb=1 Reporter Dawn Gagnon, writing in the Bangor Daily News on May 23, 2003, stated that the Rubin study "was commissioned by

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Capital Seven LLC, owned by Nevada businessman Shawn Scott. A spokesman for Capital Seven said the study cost about \$20,000." A shortcoming of the Rubin study is the fact that a number of major negative impacts are simply omitted.

<http://www.casinoman.net/gambling-news/article/maine-racing-commission-report-raises-concerns-about-casino-devel.2381.asp> and a myriad of other articles

It's the future and it's free: Windows Live Mail beta

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Subject: RE: [Fwd: info on the people behind the present gaming initiative (criminal records)]
From: "Rizk Saad" <rsaad@baldyga.com>
Date: Thu, 27 Jul 2006 14:19:36 +1000
To: "Jackie A. Marati" <jamarati@bankofguam.com>

Jackie
 can we get these info to KUAM, PDN 7 K57 AND guam gaming commission & attorney general.

-----Original Message-----

From: Jackie A. Marati [mailto:jamarati@bankofguam.com]
Sent: Thursday, July 27, 2006 11:57 AM
To: mbaldyga@baldyga.com; rsaad@baldyga.com; hali@tniguam.com; mcguzman@lte.net; acalaw@netpci.com; john.lee@fhwn.com
Subject: [Fwd: info on the people behind the present gaming initiative (criminal records)]

All:
 When I visited the Greyhound operation last week to pick up materials, Victoria Scott was the woman handling the orientation for the signature gatherers and Bob Newell was the man who was bringing in boxes of documents for their use.

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EXHIBIT D

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It's the future and it's free: Windows Live Mail beta

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Jacqueline A. Marati
Vice President/Human Resources and Marketing Administrator
Tel: 671-472-5258
Fax: 671-477-6796
Cell: 671-688-5305

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No virus found in this incoming message.
Checked by AVG Free Edition.
Version: 7.1.394 / Virus Database: 268.10.4/399 - Release Date: 7/25/2006

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No virus found in this outgoing message.
Checked by AVG Free Edition.
Version: 7.1.394 / Virus Database: 268.10.4/399 - Release Date: 7/25/2006

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